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E-Filed October 10, 2006

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10 Attorneys for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re: USA COMMERCIAL MORTGAGE COMPANY, Debtor.	Case No. BK-S-06-10725 LBR Case No. BK-S-06-10726 LBR Case No. BK-S-06-10727 LBR Case No. BK-S-06-10728 LBR Case No. BK-S-06-10729 LBR
In re: USA CAPITAL REALTY ADVISORS, LLC, Debtor.	Chapter 11
In re: USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC, Debtor.	Jointly Administered Under Case No. BK-S-06-10725 LBR
In re: USA CAPITAL FIRST TRUST DEED FUND, LLC, Debtor.	DECLARATION IN SUPPORT OF EX PARTE APPLICATION FOR ORDER SHORTENING TIME TO HEAR MOTION TO EXCLUDE DEBTORS FROM HAVING TO FILE INTER-COMPANY CLAIMS AGAINST EACH OTHER BY THE BAR DATE, OR ALTERNATIVELY FOR THE APPROVAL OF THE IMMEDIATE APPOINTMENT OF SPECIAL COUNSEL TO FILE AND PURSUE THE INTER-COMPANY DEBTOR CLAIMS
Affects: <input checked="" type="checkbox"/> All Debtors <input type="checkbox"/> USA Commercial Mortgage Company <input type="checkbox"/> USA Securities, LLC <input type="checkbox"/> USA Capital Realty Advisors, LLC <input type="checkbox"/> USA Capital Diversified Trust Deed Fund, LLC <input type="checkbox"/> USA First Trust Deed Fund, LLC	Date: OST Requested Time: OST Requested

Lenard E. Schwartzter, Esq., under penalties of perjury, hereby represent as follows:

2 1. A Motion to Exclude Debtors From Having to File Inter-Company Claims Against
3 Each Other by the Bar Date, or Alternatively for the Approval of the Immediate Appointment of
4 Special Counsel for Diversified Fund and FTD Fund to File and Pursue the Inter-Company Debtor
5 Claims (the “Motion”) was filed by the Debtors. The Motion request that the Court enter an order
6 granting the Motion and that it exclude the Debtors from having to file inter-company claims
7 against each other by the Bar Date (or that the Bar Date be extended without date for the filing of
8 these claims), subject to the Debtors reporting to the Court at the October 19, 2006 hearing that all
9 of the inter-company claims have been fully resolved in a Plan with the full agreement of the
10 Committees, or, alternatively, if all inter-company claims are not fully resolved by October 19,
11 2006 with the full agreement of the Committees, that the Court approve the immediate
12 appointment of special counsel for the USACM, FTD Fund and the Diversified Fund to file the
13 inter-company claims at the hearing set on this Motion on October 30, 2006.

14 2. The Debtors request that the hearing on the Motion be set for a hearing for October
15 19, 2006. A Notice Of Hearing was filed with this Court on October 5, 2006 and noticed to
16 interested parties on October 6, 2006 setting the hearing on October 30, 2006 at 9:30 a.m.
17 Interested parties were given only 24 days notice instead of 25 days. It is necessary to have this
18 Motion heard by this date so that the other time frames and deadlines regarding this case are not
19 adversely affected.

20 3. Notice can be shortened pursuant to Bankruptcy Rule 9006(c)(1) and LR 9006(a).

Dated this 9th day of October, 2006.

/s/ Lenard E. Schwartzer, Esq.

Lenard E. Schwartzer, Nevada Bar No. 0399
Attorneys for Debtors and Debtors-in-Possession